WORKFORCE OBSERVATIONS
FOR MILWAUKEE COUNTY/WOW COUNTIES
AUGUST 2001

State of Wisconsin
Department of Workforce Development

A note to subscribers of the Milwaukee/WOW Labor Market Review:

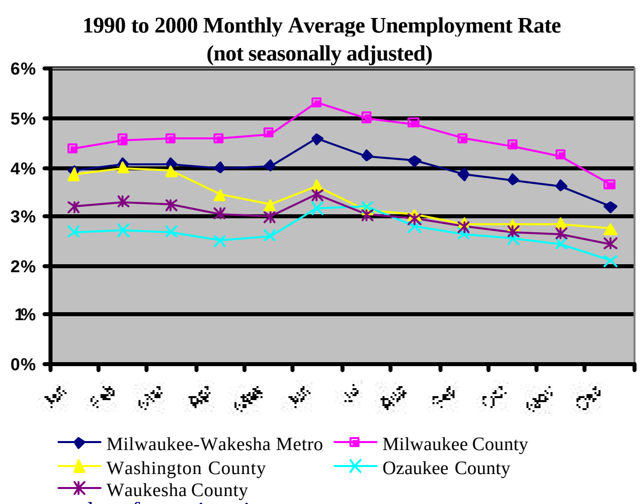
The new *Workforce Observations for Milwaukee County/WOW Counties* supercedes the *Milwaukee/WOW Workforce Development Area Labor Market Review as* a current and timely labor market information source for Milwaukee County/WDA and Washington, Ozaukee and Waukesha Counties/WOW WDA. The data reported in the new version will be for the month previous to the publication date, e.g., this August 2001 issue will report local area data for the month of July 2001. In the previous *Labor Market Review* format, the reported data lagged two calendar months. We are confident that this will serve as a more timely compendium of local labor market and other economic information.

Workforce Observations condenses from four pages to a two-page format. Volume and issue number will no longer be contained as the review will be labeled only by month and year. The most current labor force and non-farm wage and salary employment figures will continue to be displayed comparing month-ago and year-ago figures. Analysis of the current labor market will be also be offered along with the data. This will be mailed roughly the last week of every month within days of the official release of the labor force data.

We encourage the reference of our website at *http://www.dwd.state.wi.us/lmi/* for more historic data or information from other locales in Wisconsin. We also recommend users become familiar with the U.S. Department of Labor's, Bureau of Labor Statistics website at *http://146.142.4.22/*.

July Labor Scene

The seasonally adjusted unemployment rate for **the Milwaukee-Waukesha Metropolitan Area** increased two-tenths of a percentage point over the month to 4.7 percent. The present rate is higher than The July 2000 rate of 4.0 percent.



The **metro area** not seasonally adjusted unemployment rate decreased two-tenths of a point to 5.0 percent. All four counties' over the month rates remained the same or decreased with Washington County showing the most dramatic change, dropping three-tenths of a point since June. The June to July period typically shows a slight dip in the unemployment rate, about three-tenths of a percentage point looking at the 1990-2000 time period, and while the year 2001 rates are higher than in the past few years, the month-to-month trends have remained resilient.

The metro area labor force shows a pronounced decrease in the number of those unemployed (-1,310 unemployed), but only about 820 more employed. This majority of this pattern is seen in Milwaukee and Washington Counties. Waukesha County added 220 more people as employed and shows a decrease of 80 in the number unemployed. Ozaukee County showed slight increases in both the employed and unemployed.

Metro Area Employment by Industry

Job growth over the month was very slow despite a strong showing in construction employment gaining almost 1,300 jobs since June. Transportation, communication and public utilities, despite a four percent loss over the month, tends to decline between three and four percent between every June and July and usually rebounds in August and September as school bus drivers and related transportation workers go back to their school year schedules. Retail and wholesale trade employment dipped almost 1,400 jobs combined. Services industry, which has been a mainstay for job growth in the past years, showed monthly growth of .005 percent or 170 jobs in an industry of close to 300,000 employed. Finance, insurance and real estate showed very small monthly growth as well.

The year-to-year scene does not show anything that is indicative of breaking the yearly trend of goods producing industries, namely manufacturing, being in the doldrums. Manufacturing jobs are dwindling in the economic slowing, down over 7,700 jobs in the four-county region. Construction, though still a strong growth industry, is down 500 jobs over the year. This seems to either be contradictory or in line with contractors pleading for more workers as they cannot keep up with the demand for their building services. On a brighter note, services and the FIRE sectors are upwards in the number employed since July 2000 and make up about one-third of the new jobs over the year.

The combined Milwaukee/WOW WDAs contain about 30 percent of the state's non-farm jobs. So it is fair to say that Wisconsin's economic direction is tied tightly to the direction of this part of the state and the dynamics of these urban and suburban counties. Milwaukee and Waukesha Counties compose 59 and 26 percent of the metro area jobs, respectively. Yet they seem to show different stories in looking at job growth, at least from a recent perspective. There has been a great deal of discussion of the flight of both population and jobs from Milwaukee County over the last decade or two into the suburban WOW counties. This is clearly true. What is surprising looking at the July 2000 to July 2001 data is that Waukesha County has felt a larger proportional loss of jobs over the period than Milwaukee County. One's first inclination would be to look at the manufacturing industries and Waukesha's losses seem to keep check with its proportion of the metro area (about 31 percent of the area's

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manufacturing jobs are in Waukesha County). It seems that the answer lies in the number of jobs that Waukesha County *did not produce* in the service producing industries over the year. Waukesha only created 390 net service-producing industries (TCPU, wholesale and retail trade, FIRE, services, and all government) jobs compared to Milwaukee County's 2,620 since July 2000. This being said; Waukesha probably produced about half of the expected number of service-producing jobs since last July.

Wholesale trade (-420 jobs OTY) seems to be the most striking part of Waukesha's loss and is a particularly important industry to watch. Wholesale trade is arguably the most closely tied sector to manufacturing as it is usually the middling ground for the goods we buy at the retail level. While consumer spending, at presumably the retail level, is keeping the economy afloat, manufacturers are producing less and getting rid of stockpiled inventory which affect trade sectors' employment levels. As everyday American consumers, it will probably be a rare day that we are not able to plunk down a great sum of money for a big-ticket item such as a car or home appliance at the retail level but capital spending on items such as computers and office equipment by businesses, which are usually purchased at the wholesale level, is considerably down.

July 2001	Wisconsin	Milwaukee-Waukesha MSA	Milwaukee County/WDA	Washington County	Ozaukee County	Waukesha County	W-O-W WDA
Civilian Labor Force*	*3,128,287*	*836,550*	*495,087*	*70,194*	*50,265*	*221,006*	*341,465*
Persons Employed	*2,990,451*	*794,690*	*465,204*	*67,584*	*48,546*	*213,357*	*329,487*
Persons Unemployed	*137,836*	*41,860*	*29,883*	*2,610*	*1,719*	*7,649*	*11,978*
Unemployment Rate	*4.4%*	*5.0%*	*6.0%*	*3.7%*	*3.4%*	*3.5%*	*3.5%*
Total jobs of all non-farm industries**	2,855,612	863,432	554,027	47,146	39,237	223,021	309,405
Goods Producing Jobs	742,389	202,448	102,153	18,167	13,703	68,426	100,295
Service Producing Jobs	2,113,223	660,984	451,874	28,979	25,535	154,596	209,110
Construction & Mining	141,187	36,653	15,108	2,849	1,678	17,018	21,545
All Manufacturing	601,202	165,795	87,045	15,318	12,025	51,407	78,750
Transportation, Communications & Public Utilities	134,399	37,901	27,725	1,716	804	7,656	10,176
Wholesale Trade	140,389	49,209	25,324	2,430	1,617	19,837	23,885
Retail Trade	504,323	133,776	83,053	8,326	7,049	35,348	50,723
Finance, Insurance, and Real Estate	154,325	59,584	43,268	2,027	1,997	12,292	16,316
Services	797,131	292,854	210,825	9,319	10,346	62,364	82,029
All Government	382,656	87,660	61,678	5,161	3,722	17,098	25,982
Change from June 2001							
Civilian Labor Force*	*13,740*	*-480*	*-570*	*-140*	*90*	*150*	*90*
Persons Employed	*17,510*	*820*	*480*	*70*	*50*	*220*	*340*
Persons Unemployed	*-3,780*	*-1,310*	*-1,060*	*-210*	*30*	*-80*	*-250*
Unemployment Rate	*-0.1%*	*-0.2%*	*-0.2%*	*-0.3%*	*0.0%*	*0.0%*	*-0.1%*
Total jobs of all non-farm industries**	-26,640	-12,120	-8,560	-720	-520	-2,320	-3,560
Goods Producing Jobs	5,560	20	-130	-20	-30	210	160
Service Producing Jobs	-32,200	-12,140	-8,420	-700	-490	-2,530	-3,720
Construction & Mining	3,890	1,290	530	100	60	600	760
All Manufacturing	1,670	-1,270	-670	-120	-90	-390	-600
Transportation, Communications & Public Utilities	-3,270	-1,590	-1,160	-70	-30	-320	-430
Wholesale Trade	950	-420	-220	-20	-10	-170	-210
Retail Trade	-1,380	-950	-590	-60	-50	-250	-360
Finance, Insurance, and Real Estate	1,000	120	90	0	0	20	30
Services	760	170	120	10	10	40	50
All Government	-30,260	-9,470	-6,660	-560	-400	-1,850	-2,810
Change from July 2000							
Civilian Labor Force*	*127,610*	*18,490*	*10,630*	*1,830*	*1,160*	*4,870*	*7,860*
Persons Employed	*106,280*	*12,370*	*7,240*	*1,050*	*760*	*3,320*	*5,130*
Persons Unemployed	*21,330*	*6,130*	*3,390*	*780*	*400*	*1,550*	*2,730*
Unemployment Rate	*0.5%*	*0.6%*	*0.5%*	*1.0%*	*0.7%*	*0.7%*	*0.7%*
Total jobs of all non-farm industries**	900	-5,100	-1,640	-720	-490	-2,250	-3,460
Goods Producing Jobs	-24,660	-8,240	-4,270	-750	-580	-2,640	-3,970
Service Producing Jobs	25,560	3,140	2,620	40	90	390	510
Construction & Mining	90	-530	-220	-40	-20	-250	-310
All Manufacturing	-24,750	-7,710	-4,050	-710	-560	-2,390	-3,660
Transportation, Communications & Public Utilities	2,080	-230	-170	-10	0	-50	-60
Wholesale Trade	-750	-1,040	-540	-50	-30	-420	-510
Retail Trade	3,440	-1,560	-970	-100	-80	-410	-590
Finance, Insurance, and Real Estate	3,830	490	350	20	20	100	130
Services	14,990	5,360	3,860	170	190	1,140	1,500
All Government	1,960	120	90	10	10	20	40

* Labor force figures are **not** seasonally adjusted and are commonly revised. Figures from "place of residence" survey from the Bureau of Labor Statistics' Unemployment Statistics program.

**Figures based upon "place of employment" survey from the BLS, Non-Farm Wage and Salary estimates

Figures are rounded and may not sum to totals

Questions and comments regarding this publication are welcome. Direct to: ***Eric Grosso, State Labor Market Economist***
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